

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS



1 General Information

The Group is principally engaged in the retailing and wholesaling of cosmetic products.

The Company is a limited liability company incorporated in Cayman Islands. The address of its registered office is P.O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

The Company has its listing on The Stock Exchange.

As at 31 March 2018, 48.8% of the total issued shares of the Company were owned by Sunrise Height Incorporated, a company incorporated in the British Virgin Islands. The directors regard Sunrise Height Incorporated, which is owned 50.0% each by Dr KWOK Siu Ming Simon and Dr KWOK LAW Kwai Chun Eleanor, as being the ultimate holding company of the Company.

These consolidated financial statements are presented in thousands of Hong Kong dollar (HK\$'000), unless otherwise stated. These consolidated financial statements have been approved for issue by the Board of Directors on 21 June 2018.

2 Revenue and Turnover

Accounting Policy

Revenue comprises the fair value of the consideration received or receivable for the sale of goods in the ordinary course of the Group's activities. Revenue from the sale of goods is recognised on the transfer of risks and rewards of ownership which generally coincides with the time of the payment in cash or by credit cards for retail sale. For wholesale and internet transactions, revenue is recognised at the point that risks and rewards of the inventory have passed to the customer, which is the point of dispatch. Revenue is shown net of value-added tax, returns, rebates and discounts and after eliminating sales within the Group.

Slide display rental income is recognised on an accrual basis in accordance with the terms of the relevant agreements.

Sub-lease income is recognised in the income statement on a straight-line basis over the term of the operating lease.

The Group operates the "Customer Loyalty Programme" where certain customers accumulate points for purchases made which entitle them to purchase goods for free or at a discounted price. The award points are recognised as a separately identifiable component of the initial sale transaction, by allocating the fair value of the consideration received between the award points and the other components of the sale such that the award points are recognised at their fair value. Revenue from the award points is recognised when the points are redeemed or expired. The amount of initial revenue recognised is based on the number of points redeemed relative to the total number expected to be redeemed. All awarded points are expired on 31 March and there were no material award points outstanding as at year end.

2 Revenue and Turnover (continued)

The Group is principally engaged in the retailing and wholesaling of cosmetic products. Turnover represents the sales of goods to customers. An analysis of revenues recognised during the year is as follows:

	2018	2017
	HK\$'000	HK\$'000
		Restated
Turnover		
Retail and wholesale	8,017,613	7,551,074
Other income		
Slide display rental income	60,894	58,134
Sub-lease income	32,317	47,007
	93,211	105,141
	8,110,824	7,656,215

3 Segment Information

Accounting Policy

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-makers. The chief operating decision-makers, who are responsible for allocating resources and assessing performance of the operating segments, have been identified as the executive directors of the Group who make strategic and operating decisions.

Executive directors of the Group review the internal reporting of the Group in order to assess performance and allocate resources. Executive directors consider the business principally from a geographic perspective and assess the performance of the geographic segments based on a measure of segments results.

During the year ended 31 March 2018, the Group discontinued the business of retailing of cosmetic products in Taiwan which was previously included in "All other segments"; the comparatives have been restated. Business reportable segments identified are Hong Kong & Macau, Mainland China, E-commerce and All other segments. All other segments refer to markets in Singapore and Malaysia.

Segment assets consist primarily of property, plant and equipment, deferred tax assets, inventories, receivables, deposits and prepayments, time deposits and cash and cash equivalents. Capital expenditure comprises additions to property, plant and equipment.





3 Segment Information (continued)

The breakdown of key segment information including total turnover from external customers is disclosed below.

	For the year ended 31 March 2018				
	Hong Kong & Macau HK\$'000	Mainland China HK\$'000	E-commerce HK\$'000	All other segments HK\$'000	Total HK\$'000
Turnover	6,761,559	298,724	383,345	573,985	8,017,613
Segment results	499,042	(10,215)	(28,267)	4,683	465,243
Other information					
Capital expenditure	134,733	10,756	2,002	18,640	166,131
Finance income	9,945	331	55	1,447	11,778
Income tax expense/(credit)	96,698	–	(9,033)	7,703	95,368
Depreciation	65,378	8,549	2,446	21,352	97,725
Provision for slow moving inventories and shrinkage	25,595	577	6,244	2,226	34,642
Impairment of property, plant and equipment	1,067	818	–	1,405	3,290
	For the year ended 31 March 2017				
	Hong Kong & Macau HK\$'000	Mainland China HK\$'000	E-commerce HK\$'000	All other segments HK\$'000 (Restated)	Total HK\$'000 (Restated)
Turnover	6,266,540	276,497	475,189	532,848	7,551,074
Segment results	432,646	(15,082)	(67,144)	(7,911)	342,509
Other information					
Capital expenditure	53,333	6,054	1,817	15,801	77,005
Finance income	8,298	307	15	1,360	9,980
Income tax expense/(credit)	82,987	–	(12,640)	8,346	78,693
Depreciation	61,872	10,301	2,132	22,776	97,081
Provision/(reversal of provision) for slow moving inventories and shrinkage	18,158	(8,422)	8,215	13,927	31,878
Impairment of property, plant and equipment	3,137	1,997	–	2,334	7,468

3 Segment Information (continued)

	Hong Kong & Macau HK\$'000	Mainland China HK\$'000	E-commerce HK\$'000	All other segments HK\$'000	Total HK\$'000
At 31 March 2018					
Non-current assets	424,177	18,257	2,763	51,501	496,698
Current assets	2,472,131	140,176	132,316	261,375	3,005,998
Total segment assets					3,502,696
Discontinued operation					74,352
Total assets as per consolidated statement of financial position					3,577,048
At 31 March 2017 (restated)					
Non-current assets	353,243	15,487	3,207	59,779	431,716
Current assets	1,884,871	152,270	151,726	210,891	2,399,758
Total segment assets					2,831,474
Discontinued operation					97,603
Total assets as per consolidated statement of financial position					2,929,077

4 Other Gains/(Losses) – Net

	Significant Accounting Policies No. 8	
	2018	2017
	HK\$'000	HK\$'000
		Restated
Net exchange gains/(losses)	5,392	(1,453)



5 Expenses by Nature

	2018 HK\$'000	2017 HK\$'000 Restated
Cost of inventories sold	4,609,105	4,378,687
Employee benefit expenses (including directors' emoluments) (Note 6)	1,132,105	1,022,549
Operating lease rentals in respect of land and buildings		
– minimum lease payments	890,363	891,870
– contingent rent	62,583	60,483
Advertising and promotion expenses	115,118	124,190
Building management fees, government rent and rates	110,299	99,029
Depreciation of property, plant and equipment (Note 13)	97,725	97,081
Transportation, storage and delivery charges	68,077	102,841
Utilities and telecommunication	54,079	56,148
Repair and maintenance	39,416	40,862
Provision for slow moving inventories and shrinkage (Note 16)	34,642	31,878
Sub-lease expenses	30,507	45,113
Auditors' remuneration		
– audit services	3,522	3,404
– non-audit services	2,217	1,410
Donations	4,696	3,365
Impairment of property, plant and equipment (Note 13)	3,290	7,468
Write-off of property, plant and equipment (Note 13)	3,180	1,836
Others	306,459	275,326
	7,567,383	7,243,540
Representing:		
Cost of sales	4,643,747	4,410,565
Selling and distribution costs	2,608,162	2,525,908
Administrative expenses	315,474	307,067
	7,567,383	7,243,540

6 Employee Benefit Expenses (Including Directors' Emoluments)

	Significant Accounting Policies No. 9	
	2018 HK\$'000	2017 HK\$'000 Restated
Basic salaries, bonuses, housing allowances, other allowances and benefits-in-kind	1,063,951	958,728
Retirement benefit costs (Note 23(b))	50,963	48,318
Share-based payment (Note 24(c))	1,065	9,217
Provision for unutilised annual leave	14,698	4,556
Directors' fees	1,428	1,730
	1,132,105	1,022,549

7 Director and Senior Management Emoluments

(a) Directors' Emoluments

Directors' emoluments comprise payments to the Company's directors (including the five highest paid individuals in the Group) in connection with management of affairs of the Company and the Group. The non-executive directors receive an annual director's fee of HK\$257,400 (2017: HK\$257,400) each. Considering the comparatively heavier workload and responsibility of Audit Committee, its Chairman and members will receive an additional annual remuneration amounted to HK\$100,000 and HK\$80,000 (2017: HK\$100,000 and HK\$80,000) respectively.

The aggregate amounts of emoluments payable to the directors of the Company during the year were as follows:

	2018 HK\$'000	2017 HK\$'000
Directors' fees	1,428	1,730
Basic salaries, housing allowances, other allowances and benefits-in-kind	8,632	8,632
Discretionary bonuses	454	454
Retirement benefit costs	571	604
Share-based payment	287	664
	11,372	12,084

The directors' emoluments of the Company were as follows:

	Directors' fees HK\$'000	Basic salaries, housing allowances, other allowances and benefits- in-kind HK\$'000	Discretionary bonuses HK\$'000	Retirement benefit costs HK\$'000	Share-based payment (i) & (ii) HK\$'000	Total HK\$'000
For the year ended 31 March 2018						
Executive Directors						
Dr KWOK Siu Ming Simon (iv)	-	2,858	238	167	-	3,263
Dr KWOK LAW Kwai Chun Eleanor	-	2,594	216	181	-	2,991
Dr LOOK Guy (iii)	-	3,180	-	223	287	3,690
Non-executive Director						
Ms LEE Yun Chun Marie-Christine	257	-	-	-	-	257
Independent Non-executive Directors						
Dr LEUNG Kwok Fai Thomas (v)	139	-	-	-	-	139
Ms TAM Wai Chu Maria	337	-	-	-	-	337
Ms KI Man Fung Leonie	337	-	-	-	-	337
Mr TAN Wee Seng	358	-	-	-	-	358
	1,428	8,632	454	571	287	11,372



7 Director and Senior Management Emoluments (continued)

(a) Directors' Emoluments (continued)

The directors' emoluments of the Company were as follows:

	Directors' fees HK\$'000	Basic salaries, housing allowances, other allowances and benefits-in-kind HK\$'000	Discretionary bonuses HK\$'000	Retirement benefit costs HK\$'000	Share-based payment (i) & (ii) HK\$'000	Total HK\$'000
For the year ended 31 March 2017						
Executive Directors						
Dr KWOK Siu Ming Simon (iv)	–	2,858	238	200	–	3,296
Dr KWOK LAW Kwai Chun Eleanor	–	2,594	216	181	–	2,991
Dr LOOK Guy (iii)	–	3,180	–	223	664	4,067
Non-executive Director						
Ms LEE Yun Chun Marie-Christine	257	–	–	–	–	257
Independent Non-executive Directors						
Professor CHAN Yuk Shee (vi)	246	–	–	–	–	246
Dr LEUNG Kwok Fai Thomas (v)	315	–	–	–	–	315
Ms TAM Wai Chu Maria	315	–	–	–	–	315
Ms KI Man Fung Leonie	315	–	–	–	–	315
Mr TAN Wee Seng	282	–	–	–	–	282
	1,730	8,632	454	604	664	12,084

Notes:

- (i) Share-based payment represents amortisation to the income statement of the fair value of awarded shares and share options measured at the respective grant dates, regardless of whether the share options would be exercised or not.
- (ii) During the years ended 31 March 2018 and 2017, no share options were granted to the executive director under the 2002 Share Option Scheme and the 2012 Share Option Scheme.
- (iii) During the year ended 31 March 2018, 100,000 shares (2017: 200,000 shares) were awarded to the executive director under the Share Award Scheme. The vesting of 100,000 awarded shares (2017: 100,000 shares) out of 100,000 shares (2017: 200,000 shares) as at 31 March 2018 is not subject to certain performance targets that must be achieved by the director.
- (iv) Dr KWOK Siu Ming Simon is the Chief Executive Officer of the Company.
- (v) Dr LEUNG Kwok Fai Thomas retired as an Independent Non-executive Directors of the Company after the conclusion of the annual general meeting held on 29 August 2017.
- (vi) Professor CHAN Yuk Shee retired as an Independent Non-executive Directors of the Company with effect on 1 January 2017.

No compensation for loss of office has been paid to the directors for the years ended 31 March 2018 and 2017.

No director of the Company waived any emoluments during the years ended 31 March 2018 and 2017.

7 Director and Senior Management Emoluments (continued)

(b) Five Highest Paid Individuals

The five individuals whose emoluments were the highest in the Group for the year include three (2017: three) directors whose emoluments are reflected in the analysis presented above. The emoluments payable to the remaining two (2017: two) individuals during the year were as follows:

	2018 HK\$'000	2017 HK\$'000
Basic salaries, housing allowances, other allowances and benefits-in-kind	3,866	3,900
Share-based payment	180	852
Discretionary bonuses	322	793
Retirement benefit costs	270	256
	4,638	5,801

The emoluments of the individuals fell within the following bands:

Emoluments bands	Number of individuals	
	2018	2017
HK\$2,000,001 – HK\$2,500,000	1	–
HK\$2,500,001 – HK\$3,000,000	1	2

(c) Senior Management Emoluments (Excluding Directors' Emoluments)

The details of the senior management emoluments (excluding directors' emoluments) payable during the year were as follows:

	2018 HK\$'000	2017 HK\$'000
Basic salaries, housing allowances, other allowances and benefits-in-kind	5,665	7,930
Share-based payment	78	2,295
Discretionary bonuses	419	656
Retirement benefit costs	488	441
	6,650	11,322

One (2017: one) of the senior management emoluments are included in the analysis presented in Note 7(b) above.

The emoluments of the individuals fell within the following bands:

Emoluments bands	Number of individuals	
	2018	2017
HK\$500,001 – HK\$1,000,000	1	–
HK\$1,500,001 – HK\$2,000,000	2	1
HK\$2,000,001 – HK\$2,500,000	–	2
HK\$2,500,001 – HK\$3,000,000	1	2
	4	5



8 Finance Income

Accounting Policy

Interest income is recognised on a time-proportion basis using the effective interest method.

	2018 HK\$'000	2017 HK\$'000 Restated
Interest income on bank deposits	10,037	7,674
Others	1,741	2,306
Finance income	11,778	9,980

9 Income Tax Expense

Accounting Policy

The tax expense for the year comprise current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Please refer to **Critical Accounting Estimates and Judgements (i)** for estimates and judgements on income tax.

9 Income Tax Expense (continued)

Hong Kong profits tax has been provided for at the rate of 16.5% (2017: 16.5%) on the estimated assessable profits for the year. Taxation on overseas profits has been calculated on the estimated assessable profits for the year at the rates of taxation prevailing in the countries in which the Group operates respectively.

	2018 HK\$'000	2017 HK\$'000
Current tax:		
Hong Kong profits tax		
Current	55,625	49,376
Over-provision in previous years	(549)	(588)
Overseas taxation		
Current	32,710	28,378
Over-provision in previous years	(21)	(76)
Total current tax	87,765	77,090
Deferred tax (Note 15):		
Origination and reversal of temporary differences	8,964	1,603
Income tax expense	96,729	78,693
Income tax expense is attributable to:		
Profit from continuing operations	95,368	78,693
Loss from discontinued operation	1,361	–
	96,729	78,693

The income tax expense on the Group's profit before income tax differs from the theoretical amount that would arise using the profits rate of Hong Kong as follows:

	2018 HK\$'000	2017 HK\$'000
Profit before income tax from continuing operations	560,611	421,202
Loss before income tax from discontinued operation	(23,762)	(15,804)
Profit for the year before income tax	536,849	405,398
Tax calculated at a taxation rate of 16.5% (2017: 16.5%)	88,580	66,891
Effect of different taxation rates in other countries (Note)	(7,466)	(5,723)
Expenses not deductible for income tax purposes	9,462	7,773
Income not subject to income tax	(2,531)	(2,464)
Unrecognised tax losses	7,893	12,880
Derecognition of previously recognised deferred income tax assets	1,361	–
Over-provision in previous years	(570)	(664)
Income tax expense	96,729	78,693

Note:

The Group was subject to different tax jurisdictions mainly in Macau, Malaysia, the PRC, and Singapore with tax rate ranged from 12% to 25% (2017: 12% to 25%).



10 Discontinued Operation

Accounting Policy

A discontinued operation is a component of the Group's business, the operation and cash flow of which can be clearly distinguished from the rest of the Group and which represents a separate major line of business or geographical area of operations, or is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations, or is a subsidiary acquired exclusively with a view to resale.

Where an operation is classified as discontinued, a single amount is presented in the statement of income statement, which comprises the post-tax profit or loss of the discontinued operation and the post-tax gain or loss recognised on the measurement to fair value less costs of disposal, or on the disposal, of the assets or disposal group(s) constituting the discontinued operation.

During the year ended 31 March 2018, the Group discontinued the business of retailing of cosmetic products in Taiwan. The results of the discontinued operation for the year ended 31 March 2018 and 2017 are presented below:

	2018 HK\$'000	2017 HK\$'000
Turnover	213,161	195,078
Other income and gains, net	2,413	2,954
Cost of sales and expenses	(239,336)	(213,836)
Loss before income tax	(23,762)	(15,804)
Income tax expense	(1,361)	–
Loss from discontinued operation	(25,123)	(15,804)
Actuarial gains/(losses) on retirement benefit obligation	55	(67)
Currency translation differences of foreign subsidiaries recorded in translation reserve	2,150	3,630
Total comprehensive loss from discontinued operation	(22,918)	(12,241)

Loss for the year of discontinued operation has been arrived at after charging:

	2018 HK\$'000	2017 HK\$'000
Write-off of property, plant and equipment (Note 13)	4,277	143
Depreciation of property, plant and equipment (Note 13)	3,542	5,896
Impairment of property, plant and equipment (Note 13)	2,379	2,955
Provision for slow moving inventories and shrinkage (Note 16)	2,016	197

10 Discontinued Operation (continued)

The net cash flows incurred by the discontinued operation are as follows:

	2018 HK\$'000	2017 HK\$'000
Net cash generated from operating activities	25,015	(8,782)
Net cash used in investing activities	(458)	(4,818)
Net cash (used in)/generated from financing activities	(1,092)	16,034
Net increase in cash generated from discontinued operation	23,465	2,434

11 Earnings Per Share**From Continuing Operations**

- (a) Basic earnings per share from continuing operations is calculated by dividing the profit from continuing operations attributable to owners of the Company by the weighted average number of ordinary shares in issue less the total number of shares held under the Share Award Scheme during the year.

	2018 HK\$'000	2017 HK\$'000
Profit from continuing operations attributable to owners of the Company	465,243	342,509
Weighted average number of ordinary shares in issue less shares held under the Share Award Scheme during the year (thousands)	3,009,172	2,927,021

- (b) Diluted earnings per share from continuing operations is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has two categories of dilutive potential ordinary shares: share options and shares held under the Share Award Scheme during the year. For the share options, a calculation is performed to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options. For shares held under the Share Award Scheme, awarded shares granted to the employees but not yet vested as at 31 March 2018 has been included in the number of shares.

	2018 HK\$'000	2017 HK\$'000
Profit from continuing operations attributable to owners of the Company	465,243	342,509
Weighted average number of ordinary shares in issue less shares held under the Share Award Scheme during the year (thousands)	3,009,172	2,927,021
Adjustment for share options and awarded shares (thousands)	702	2,049
Weighted average number of ordinary shares for diluted earnings per share (thousands)	3,009,874	2,929,070





11 Earnings Per Share (continued)

From Continuing and Discontinued Operations

The calculation of the basic and diluted earnings per share attributable to owners of the Company is based on the following data:

	2018 HK\$'000	2017 HK\$'000
Profit from continuing operations attributable to owners of the Company	465,243	342,509
Loss from discontinued operation attributable to owners of the Company	(25,123)	(15,804)
Profit for the purpose of basic and diluted earnings per share from continuing and discontinued operations	440,120	326,705

The denominators used are the same as those detailed above for both basic and diluted earnings per share from continuing operations.

From Discontinued Operation

The basic and diluted loss per share for the discontinued operation is 0.8 HK cents per share (2017: Basic and diluted loss of 0.5 HK cents per share).

The calculations of basic and diluted loss per share from the discontinued operation are based on:

	2018 HK\$'000	2017 HK\$'000
Loss attributable to owners of the Company from the discontinued operation	(25,123)	(15,804)
Weighted average number of ordinary shares in issue less shares held under the Share Award Scheme during the year (thousands)	3,009,172	2,927,021

During the year ended 31 March 2018 and 2017, diluted loss per share equals to basic loss per share as the potential ordinary shares were not included in the calculation of diluted loss per share because they are anti-dilutive.

12 Dividends

Accounting Policy

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's and the Company's financial statements in the period in which the dividends are approved by the Company's shareholders.

	2018 HK\$'000	2017 HK\$'000
Interim, paid – 3.5 HK cents (2017: 5.0 HK cents) per share	105,789	148,043
Special, paid – Nil (2017: 4.0 HK cents) per share	–	118,434
Final, proposed – 11.0 HK cents (2017: 8.0 HK cents) per share	334,368	239,555
Special, proposed – 3.0 HK cents (2017: Nil) per share	91,192	–
	531,349	506,032

12 Dividends (continued)

For final and special dividends, scrip dividend election was offered to all shareholders. At a meeting held on 21 June 2018, the directors proposed a final dividend of 11.0 HK cents and a special dividend of 3.0 HK cents per share. The final and special dividends will be payable in cash with a scrip dividend alternative. These proposed dividends have not been reflected as dividend payables in these consolidated financial statements, but will be reflected as an appropriation of distributable reserve for the year ending 31 March 2019 if approved by the shareholders.

13 Property, Plant and Equipment

Accounting Policy

Land and buildings mainly comprise of offices. Leasehold land classified as finance lease and all other property, plant and equipment is stated at historical cost less depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Leasehold land classified as finance lease commences depreciation from the time when the land interest becomes available for its intended use. Depreciation on leasehold land classified as finance lease and depreciation on other assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Leasehold land classified as finance lease	Over remaining lease term
Buildings	20–36 years
Leasehold improvements	Over shorter of lease term or 6 years
Equipment, furniture and fixtures	3–5 years
Motor vehicles and vessel	4–5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (**Significant Accounting Policies No. 6**).

Gains and losses on disposals are determined by comparing proceeds with carrying amounts and are recognised in the income statement.

Please refer to **Critical Accounting Estimates and Judgements (ii)** for estimates and judgements on impairment for plant and equipment.



13 Property, Plant and Equipment (continued)

	Land and buildings HK\$'000	Leasehold improve- ments HK\$'000	Equipment, furniture and fixtures HK\$'000	Motor vehicles and vessel HK\$'000	Total HK\$'000
At 31 March 2016					
Cost	190,790	628,939	273,032	21,772	1,114,533
Accumulated depreciation and impairment	(49,237)	(513,971)	(212,054)	(18,182)	(793,444)
Net book amount	141,553	114,968	60,978	3,590	321,089
Year ended 31 March 2017					
Opening net book amount	141,553	114,968	60,978	3,590	321,089
Exchange differences	–	(1,660)	(1,684)	(5)	(3,349)
Additions	–	59,685	21,883	313	81,881
Write-off	–	(469)	(1,510)	–	(1,979)
Depreciation	(5,629)	(63,960)	(31,724)	(1,664)	(102,977)
Impairment losses	–	(8,929)	(1,494)	–	(10,423)
Closing net book amount	135,924	99,635	46,449	2,234	284,242
At 31 March 2017					
Cost	190,790	626,298	261,840	21,849	1,100,777
Accumulated depreciation and impairment	(54,866)	(526,663)	(215,391)	(19,615)	(816,535)
Net book amount	135,924	99,635	46,449	2,234	284,242
Year ended 31 March 2018					
Opening net book amount	135,924	99,635	46,449	2,234	284,242
Exchange differences	–	2,848	1,179	1	4,028
Additions	–	129,721	33,610	3,316	166,647
Disposals	–	(184)	(8)	(166)	(358)
Write-off	–	(5,252)	(2,205)	–	(7,457)
Depreciation	(5,630)	(65,528)	(28,447)	(1,662)	(101,267)
Impairment losses	–	(5,191)	(478)	–	(5,669)
Closing net book amount	130,294	156,049	50,100	3,723	340,166
At 31 March 2018					
Cost	190,790	648,599	281,299	19,375	1,140,063
Accumulated depreciation and impairment	(60,496)	(492,550)	(231,199)	(15,652)	(799,897)
Net book amount	130,294	156,049	50,100	3,723	340,166

- (a) Depreciation expense of HK\$78,251,000 (2017: HK\$76,033,000) was included in selling and distribution costs from continuing operations, HK\$19,474,000 (2017: HK\$21,048,000) was included in administrative expenses from continuing operations and HK\$3,542,000 (2017: HK\$5,896,000) was included in loss for the year from discontinued operation.
- (b) Write-off of plant and equipment of HK\$3,180,000 (2017: HK\$1,836,000) was included in selling and distribution costs from continuing operations and HK\$4,277,000 (2017: HK\$143,000) was included in loss for the year from discontinued operation.
- (c) As at 31 March 2018, net book amount of retail store assets amounted to HK\$100,443,000 (2017: HK\$99,332,000). The Group regards each individual retail store as a separately identifiable cash-generating unit. Management carried out an impairment assessment for the retail store assets which have an impairment indicator. The carrying amount of the retail store assets is written down to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. As a result, an impairment loss of HK\$3,290,000 (2017: HK\$7,468,000) and HK\$2,379,000 (2017: HK\$2,955,000) was recognised in selling and distribution costs from continuing operations and loss for the year from discontinued operation respectively. The estimates of the recoverable amounts were based on value-in-use calculations using discounted cash flow projections based on the financial forecasts approved by management covering the remaining tenure of the lease.

14 Rental Deposits, Prepayments and Other Assets

	Significant Accounting Policies No. 7	
	2018	2017
	HK\$'000	HK\$'000
Rental and other deposits	145,429	142,493
Prepayments	275	2,635
Others	5,552	5,552
	151,256	150,680

Rental deposits are carried at amortised cost using the effective interest rate of 0.66% to 1.39% per annum (2017: 0.63% to 1.39% per annum). As at 31 March 2018, the carrying amounts of rental deposits approximate their fair values.

15 Deferred Tax

Accounting Policy

Deferred tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, except for deferred tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised on deductible temporary differences arising from investments in subsidiaries only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Please refer to **Critical Accounting Estimates and Judgements (i)** for estimates and judgements on unrecognised deferred tax assets.



15 Deferred Tax (continued)

The movement in net deferred tax assets account is as follows:

	2018 HK\$'000	2017 HK\$'000
At beginning of the year	13,293	15,354
Deferred tax charged to the income statement (Note 9)	(8,964)	(1,603)
Exchange differences	679	(458)
At end of the year	5,008	13,293

	2018 HK\$'000	2017 HK\$'000
Deferred tax assets	5,276	13,620
Deferred tax liabilities	(268)	(327)
Deferred tax assets – net	5,008	13,293

As at 31 March 2018, except for the deferred tax assets on certain provisions were expected to be recovered within 12 months, substantially all remaining balances of other deferred tax assets and liabilities were expected to be recovered after 12 months.

The movements in deferred tax assets and liabilities (prior to offsetting of balances within the same taxation jurisdiction) during the year are as follows:

Deferred tax assets	Decelerated tax depreciation		Provisions		Tax losses		Total	
	2018	2017	2018	2017	2018	2017	2018	2017
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At beginning of the year	9,108	10,857	4,563	5,176	138	283	13,809	16,316
Charged to the income statement	(6,820)	(1,729)	(1,272)	(175)	(138)	(145)	(8,230)	(2,049)
Exchange differences	223	(20)	456	(438)	–	–	679	(458)
At end of the year	2,511	9,108	3,747	4,563	–	138	6,258	13,809

Deferred tax liabilities	Accelerated tax depreciation	
	2018	2017
	HK\$'000	HK\$'000
At beginning of the year	516	962
Charged/(credited) to the income statement	734	(446)
At end of the year	1,250	516

15 Deferred Tax (continued)

Deferred tax assets are recognised for tax losses carry forward to the extent that realisation of the related tax benefit through future taxable profits is probable. The Group did not recognise deferred tax assets of HK\$82,700,000 (2017: HK\$70,533,000) in respect of tax losses amounting to HK\$361,194,000 (2017: HK\$303,117,000) and capital allowances amounting to HK\$39,432,000 (2017: HK\$31,807,000) that can be carried forward against future taxable income. Tax losses amounting to HK\$209,739,000 (2017: HK\$193,811,000) and HK\$50,254,000 (2017: HK\$28,620,000) will expire within 1-5 years and 5-10 years respectively from 31 March 2018. The remaining tax losses and capital allowances have no expiry date.

16 Inventories

Accounting Policy

Inventories comprise merchandise and are stated at the lower of cost and net realisable value.

Cost represents the invoiced cost of inventories plus the applicable freight and duties. Costs are assigned to individual items on the weighted-average basis. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. Costs of inventories include the transfer from equity of any gains/losses on qualifying cash flow hedges purchases of inventories.

Please refer to **Critical Accounting Estimates and Judgements (iii)** for estimates and judgements on provision for inventory.

	2018 HK\$'000	2017 HK\$'000
Merchandise for resale	1,337,263	1,221,794

The cost of inventories recognised as expense, and included in cost of sales from continuing operations and loss for the year from discontinued operation amounted to HK\$4,609,105,000 (2017: HK\$4,378,687,000) and HK\$116,669,000 (2017: HK\$106,572,000) respectively.

During the year, the Group has made a provision of HK\$36,658,000 for slow moving inventories and shrinkage (2017: HK\$32,075,000) and was included in cost of sales from continuing operations and loss for the year from discontinued operation amounted to HK\$34,642,000 (2017: HK\$31,878,000) and HK\$2,016,000 (2017: HK\$197,000) respectively.





17 Trade Receivables

Accounting Policy

Trade receivables are amounts due from customers for merchandise sold in the ordinary course of business. If collection of trade receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

Please refer to **Significant Accounting Policies No.7 (iii)** for policies on impairment of financial assets.

	2018 HK\$'000	2017 HK\$'000
Trade receivables	146,189	68,123
Less: provision for impairment losses on trade receivables	(772)	(1,047)
Trade receivables – net	145,417	67,076

The carrying amounts of trade receivables approximate their fair values.

The Group's turnover comprises mainly cash sales and credit card sales. Certain wholesale customers are granted credit terms ranging from 7 to 120 days. The ageing analysis based on invoice of gross trade receivables date is as follows:

	2018 HK\$'000	2017 HK\$'000
Within 1 month	106,084	48,674
1 to 3 months	17,694	9,609
Over 3 months	22,411	9,840
	146,189	68,123

As at 31 March 2018, trade receivables of HK\$23,881,000 (2017: HK\$2,054,000) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these trade receivables is as follows:

	2018 HK\$'000	2017 HK\$'000
1 to 3 months	3,351	1,060
Over 3 months	20,530	994
	23,881	2,054

17 Trade Receivables (continued)

Trade receivables are denominated in the following currencies:

	2018	2017
	HK\$'000	HK\$'000
Hong Kong dollar	75,580	21,289
Renminbi	54,387	36,080
New Taiwan dollar	11,162	5,802
Others	4,288	3,905
	145,417	67,076

Movement in the Group's provision for impairment of trade receivables is as follows:

	2018	2017
	HK\$'000	HK\$'000
At 1 April	1,047	2,218
Reversal for impairment	(330)	(1,201)
Exchange differences	55	30
At 31 March	772	1,047

During the year, the Group has made a reversal on provision for impairment losses on trade receivables of HK\$330,000 (2017: HK\$1,201,000). The reversal on provision has been included in selling and distribution costs.

The credit quality of trade receivables that are neither past due nor impaired can be assessed by reference to the historical information about counterparty default rates. The existing counterparties do not have significant default in the past. There is no concentration of credit risk with respect to trade receivables as the Group has a large number of customers.

The maximum exposure to credit risk at the reporting date is the carrying value of trade and other receivables. The Group does not hold any collateral as security.





18 Other Receivables, Deposits and Prepayments

Accounting Policy

Other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

If collection of other receivables is expected to be in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Please refer to **Significant Accounting Policies No.7 (iii)** for policies on impairment of financial assets.

	2018 HK\$'000	2017 HK\$'000
Rental and other deposits	151,318	155,932
Other receivables and payment in advance	50,509	35,393
Prepayments	28,577	31,398
Retirement benefit obligations (Note 23(a))	1,495	–
Forward foreign exchange contracts (Note 22)	411	217
	232,310	222,940

The carrying amounts of other receivables and deposits approximate their fair values. The other receivables are due and receivable within one year from the end of the reporting period.

19 Cash and Bank Balances

Accounting Policy

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

	2018 HK\$'000	2017 HK\$'000
Time deposits	915,802	513,024
Short-term bank deposits	123,412	235,297
Cash at bank and on hand	326,146	220,404
Cash and cash equivalents	449,558	455,701
Total	1,365,360	968,725

Cash and bank balances are denominated in the following currencies:

	2018 HK\$'000	2017 HK\$'000
Hong Kong dollar	1,119,062	791,100
Malaysian Ringgit	70,562	31,179
New Taiwan dollar	43,451	18,005
Renminbi	39,064	44,006
Euro	29,379	2,632
Singapore dollar	18,150	18,379
Macau Pataca	15,099	7,788
US dollar	12,192	38,266
Swiss Franc	11,292	15,678
Others	7,109	1,692
	1,365,360	968,725

The year-end effective interest rate on time deposits over three months was 1.67% per annum (2017: 1.04% per annum). These deposits have an average maturity of 6 months (2017: 6 months).

The year-end effective interest rate on short-term bank deposits was 1.07% per annum (2017: 0.67% per annum). These deposits have an average maturity of 1 month (2017: 1 month).

As at 31 March 2018, out of the total cash and bank balances denominated in Renminbi and Malaysian Ringgit as stated above, approximately HK\$94,006,000 (2017: HK\$73,020,000) were kept in Mainland China and Malaysia. The remittance of these funds out of Mainland China and Malaysia is subject to applicable foreign exchange restrictions imposed by the respective local governments.



20 Trade Payables

Accounting Policy

Trade payables are obligations to pay for goods that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

The ageing analysis based on invoice date of trade payables is as follows:

	2018 HK\$'000	2017 HK\$'000
Within 1 month	475,588	201,714
1 to 3 months	127,437	96,992
Over 3 months	16,677	15,207
	619,702	313,913

The carrying amounts of trade payables approximate their fair values.

Trade payables are denominated in the following currencies:

	2018 HK\$'000	2017 HK\$'000
Hong Kong dollar	360,883	192,767
US dollar	88,785	16,984
Euro	50,357	20,692
Renminbi	42,448	43,231
South Korean Won	32,984	3,608
Japanese Yen	10,999	4,164
Malaysian Ringgit	9,294	9,204
New Taiwan dollar	9,121	11,196
Swiss Franc	7,140	7,386
Singapore dollar	6,780	4,294
Others	911	387
	619,702	313,913

21 Other Payables and Accruals

Accounting Policy

Other payables and accruals are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Provisions for environmental restoration, restructuring costs and legal claims are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

	2018 HK\$'000	2017 HK\$'000
Accrued staff costs	118,492	98,538
Accrued rental related expenses	37,344	18,526
Customers' deposits and temporary receipts	33,042	28,981
Accrued advertising and promotion expenses	27,061	26,640
Accrued capital expenditure	26,935	13,834
Accrued transportation expenses	15,169	14,548
Valued-added tax and other tax payables	18,840	17,202
Forward foreign exchange contracts (Note 22)	66	80
Other payables and accruals	80,160	73,443
	357,109	291,792



22 Forward Foreign Exchange Contracts

Accounting Policy

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

The Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

Movements on the hedging reserve in shareholders' equity are shown in Note 25. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining hedged item is more than 12 months, and as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

(a) Cash flow hedges

In the current year, the Group designated certain forward foreign exchange contracts as cash flow hedges to hedge against the Group's purchases denominated in Euro, Swiss Franc and Japanese Yen. The Group designates certain derivatives as cash flow hedge: hedges of a particular risk associated with a recognised asset or liability or a highly probable forecast transaction.

The effective portion of changes in the fair value of derivatives that are designated and qualified as cash flow hedges is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in the income statement within "other gains/(losses) – net".

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss (for example, when the forecast purchase that is hedged takes place). However, when the forecast transaction that is hedged results in the recognition of a non-financial asset (for example inventory), the gains and losses previously deferred in hedging reserve are transferred from hedging reserve and included in the initial measurement of the cost of the asset. The deferred amounts are ultimately recognised in cost of goods sold when these inventory are sold.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time, is recognised in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in hedging reserve is immediately transferred to the income statement within "other gains/(losses) – net".

(b) Derivatives not qualifying for hedge accounting or held for trading purposes

Certain derivatives instruments do not qualify for hedge accounting. Any gains or losses arising from the change in the fair value of derivatives that do not qualify for hedge accounting is recognised immediately in the income statement within 'other gains/(losses) – net'.

22 Forward Foreign Exchange Contracts (continued)

	2018		2017	
	Current assets HK\$'000	Current liabilities HK\$'000	Current assets HK\$'000	Current liabilities HK\$'000
Forward foreign exchange contracts				
– cash flow hedge	411	66	217	80

The maturity dates of the outstanding forward foreign exchange contracts are within one year and are classified as current assets and current liabilities respectively.

As at 31 March 2018, the notional principal amount of the outstanding forward foreign exchange contracts under cash flow hedges was HK\$38,273,000 (2017: HK\$24,885,000). The hedges related to highly probable forecasted purchases denominated in Euro, Swiss Franc and Japanese Yen which are expected to occur at various dates within a 12-month period.

The forward foreign exchange contracts entered for the year ended 31 March 2018 were determined to be effective hedges. There was no ineffectiveness to be recognised in the consolidated income statement.

23 Retirement Benefit Obligations**(a) Retirement Benefit Obligations**

	Significant Accounting Policies No. 9	
	2018 HK\$'000	2017 HK\$'000
Retirement benefit obligations (asset)/liability on:		
– defined benefit plan (Note (b)(ii))	(1,495)	(513)
– long service payments (Note (b)(iii))	3,494	7,101
	1,999	6,588
Representing:		
– Current assets included in other receivables, deposits and prepayments (Note 18)	(1,495)	–
– Non-current liabilities	3,494	6,588
	1,999	6,588



23 Retirement Benefit Obligations (continued)

(b) Retirement Benefit Costs

	2018 HK\$'000	2017 HK\$'000
Retirement benefit costs charged to income statement:		
Retirement benefit costs		
– defined contribution plans (Note (i))	52,628	50,170
– defined benefit plan (Note (ii))	(791)	11
	51,837	50,181
– long service payments (Note (iii))	254	175
	52,091	50,356
Representing:		
– Employee benefit expenses from continuing operations (Note 6)	50,963	48,318
– Loss for the year from discontinued operation	1,128	2,038
	52,091	50,356
Retirement benefit costs (credited)/charged to other comprehensive income:		
– defined benefit plan (Note (ii))	(55)	67
– long service payments (Note (iii))	(3,652)	(2,660)
	(3,707)	(2,593)

Notes:

- (i) The subsidiaries of the Group in Hong Kong elected to contribute to the Mandatory Provident Fund Scheme (“MPF Scheme”). The MPF Scheme is a defined contribution retirement benefit plan administered by independent trustees. Under the MPF Scheme, both the employer and employees are required to contribute 5% of the employee’s monthly salaries (capped at HK\$30,000). Contributions from the employer equivalent to the contribution as specified at the rules of the MPF Scheme are 100% vested as soon as they are paid to the relevant MPF Scheme but all benefits derived from the mandatory contributions must be preserved until the employee reaches the age of 65, subject to a few exceptions. As to the employer’s contribution in excess of the portion vested in the MPF Scheme the employees are entitled to 100% of it after 10 years of completed service or at a reduced scale after completion of 3 to 9 years’ service. No forfeited contributions for the Group is available to reduce the contribution payment in the future years.

The employees of the Group in Mainland China are members of state-managed retirement benefit schemes operated by the respective local government in Mainland China. The Group is required to contribute a specified percentage of payroll costs to the scheme to fund the benefits. The only obligation of the Group with respect to these schemes is to make the specified contributions.

Certain employees of the Group in Taiwan participate a defined contribution retirement benefit plan (“New Retirement Plan”) administered by the local government and followed the local statutory requirements. The only obligation of the Group with respect to this plan is to make the specified contributions.

The Group also participates in a post-employment benefit plan and employees provident fund in Singapore and Malaysia respectively. The Group pays contribution to a separate entity and will have no legal or construction obligation to pay further amounts.

23 Retirement Benefit Obligations (continued)

(b) Retirement Benefit Costs (continued)

Notes: (continued)

- (ii) Before the effective of New Retirement Plan since 1 July 2005, a branch of a wholly-owned subsidiary of the Group in Taiwan participates in a central defined benefit retirement plan ("Old Retirement Plan") providing benefits to all employees in accordance with the Labor Standards Law (as amended) in Taiwan. The Group has an obligation to ensure that there are sufficient funds in the Old Retirement Plan to pay the benefits earned. The branch currently contributes at 2% of the total salaries as determined and approved by the relevant government authorities. The assets of the Old Retirement Plan are invested in an independent administered pooled funds held at Bank of Taiwan and the assets are held separately from those of the Group.

The latest actuarial valuation was prepared as at 31 March 2018 by Towers Watson Hong Kong Limited, a qualified actuary, using the projected unit credit method.

The amounts recognised in the consolidated statement of financial position are determined as follows:

	2018 HK\$'000	2017 HK\$'000
Present value of funded obligations	2,000	2,766
Fair value of plan assets	(3,495)	(3,279)
Net asset in the statement of financial position (Note (a))	(1,495)	(513)

The movements of defined benefit plan during the year are as follows:

	Fair value of plan assets (Asset)/liability HK\$'000	Present value of funded obligations (Asset)/liability HK\$'000	Total (Asset)/liability HK\$'000
At 1 April 2017	(3,279)	2,766	(513)
Current service cost	–	19	19
Past service cost	–	(799)	(799)
Interest (income)/expense	(61)	50	(11)
Retirement benefit costs credited to income statement	(61)	(730)	(791)
Remeasurements:			
Actuarial gain – experience	–	(20)	(20)
Actuarial loss – financial assumptions	–	45	45
Return on scheme assets greater than discount rate	(80)	–	(80)
Retirement benefit costs (credited)/charged to			
other comprehensive income	(80)	25	(55)
Employer contributions	(61)	–	(61)
Benefit paid from scheme asset	170	(170)	–
Exchange difference	(184)	109	(75)
At 31 March 2018	(3,495)	2,000	(1,495)



23 Retirement Benefit Obligations (continued)

(b) Retirement Benefit Costs (continued)

Notes: (continued)

	Fair value of plan assets (Asset)/liability HK\$'000	Present value of funded obligations (Asset)/liability HK\$'000	Total (Asset)/liability HK\$'000
At 1 April 2016	(2,976)	2,485	(491)
Current service cost	–	19	19
Interest (income)/expense	(42)	34	(8)
Retirement benefit costs (credited)/charged to income statement	(42)	53	11
Remeasurements:			
Actuarial loss – experience	–	202	202
Actuarial gain – financial assumptions	–	(144)	(144)
Return on scheme assets less than discount rate	9	–	9
Retirement benefit costs charged to other comprehensive income	9	58	67
Employer contributions	(68)	–	(68)
Exchange difference	(202)	170	(32)
At 31 March 2017	(3,279)	2,766	(513)

The principal actuarial assumptions used are as follows:

	2018	2017
Discount rate	1.5%	1.8%
Expected rate of future salary increases	3.0%	3.0%

The sensitivity of the defined benefit plan obligation to changes in the weighted principal assumption is as follows:

Assumption	Change to adopted rate	Effect on defined benefit plan obligation
Discount rate	+0.25%	+0.25%
	–0.25%	–0.25%
Expected rate of future salary increases	+0.25%	+0.25%
	–0.25%	–0.25%

23 Retirement Benefit Obligations (continued)

(b) Retirement Benefit Costs (continued)

Notes (continued):

- (iii) The Group's provision for long service payments are determined based on the actuarial valuation as at 31 March 2018 prepared by Towers Watson Hong Kong Limited, a qualified actuary, using the projected unit credit method.

The movements of long service payments during the year are as follows:

	Present value of obligations	
	2018 HK\$'000	2017 HK\$'000
At 1 April	7,101	9,605
Current service cost	136	64
Interest cost on scheme assets	118	111
Retirement benefit costs charged to income statement	254	175
Remeasurements:		
Actuarial gain – experience	(3,484)	(3,357)
Actuarial (gain)/loss – financial assumptions	(167)	1,831
Actuarial gain – demographic assumptions	(1)	(1,134)
Retirement benefit costs credited to other comprehensive income	(3,652)	(2,660)
Benefits paid directly by the employer	(209)	(19)
At 31 March	3,494	7,101

The principal actuarial assumptions used are as follows:

	2018	2017
Discount rate	2.1%	1.7%
Expected rate of future salary increases	3.5%	3.5%

The sensitivity of the long service payments to changes in the weighted principal assumption is as follows:

Assumption	Change to adopted rate	Effect on defined benefit plan obligation
Discount rate	+0.25%	+0.25%
	-0.25%	-0.25%
Expected rate of future salary increases	+0.25%	+0.25%
	-0.25%	-0.25%





24 Share Capital

Accounting Policy

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Please refer to **Significant Accounting Policies No.10** for details on Share Options and Share Award Scheme.

Authorised shares of HK\$0.1 each	No. of shares	HK\$'000
At 31 March 2017 and 2018	8,000,000,000	800,000
Issued and fully paid shares of HK\$0.1 each		
At 1 April 2016	2,892,131,561	289,213
Issue of shares upon scrip dividend of 2015/16 final and special dividends	68,722,840	6,872
Issue of shares upon scrip dividend of 2016/17 interim and special dividends	33,586,969	3,359
At 31 March 2017	2,994,441,370	299,444
Issue of share upon exercise of share option	20,000	2
Issue of shares upon scrip dividend of 2016/17 final dividend	28,090,745	2,809
Issue of shares upon scrip dividend of 2017/18 interim dividend	16,302,283	1,630
At 31 March 2018	3,038,854,398	303,885

(a) Share Options

The 2002 Share Option Scheme was adopted on 29 August 2002 and terminated on 23 August 2012. No further options could be granted under the 2002 Share Option Scheme upon termination but the options already granted remained governed by the 2002 Share Option Scheme. The 2012 Share Option Scheme was adopted on 23 August 2012.

Under both the 2002 Share Option Scheme and the 2012 Share Option Scheme, share options may be granted to any directors (including executive, non-executive and independent non-executive directors) and employees of the Group, and any advisors, consultants, distributors, contractors, suppliers, agents, customers, business partners, joint venture business partners, promoters, service providers of any members of the Group who the Board or a duly authorized committee thereof considers, in its sole discretion, to have contributed to the Group.

The option period shall be notified by the Board to each grantee at the time of making an offer which shall not expire later than 10 years from the date of grant of the relevant option. The subscription price shall be determined by the Board at its absolute discretion but in any event shall not be less than the highest of: (i) the closing price of the Company's shares as stated in the daily quotations sheets issued by the Stock Exchange on the date of grant; (ii) the average closing price of the Company's shares as stated in the daily quotations sheets issued by the Stock Exchange for the five business days immediately preceding the date of grant; and (iii) the nominal value of a share of the Company. The Group has no obligation to repurchase or settle the options in cash.

24 Share Capital (continued)

(a) Share Options (continued)

The outstanding share options of the Company were granted under the 2002 Share Option Scheme and the 2012 Share Option Scheme to a director of the Company and certain key management personnel, which are to be vested after the selected employee completed a period of services in the Group from 1 to 3 years from the grant date or achieved certain performance targets set by the Board. All outstanding share options have been vested as at 31 March 2018 and 2017.

No options have been granted under the 2002 Share Option Scheme and the 2012 Share Option Scheme by the Group during the year ended 31 March 2018 and 2017.

Movements in the number of share options outstanding are as follows:

	No. of share options year ended 31 March	
	2018	2017
At beginning of the year	34,989,988	35,741,988
Exercised	(20,000)	–
Lapsed	(788,000)	(752,000)
At end of the year	34,181,988	34,989,988

The closing price at the date of exercise of options exercised during the year ended 31 March 2018 was HK\$4.11 (2017: Not applicable).

The expiry dates and subscription prices of the share options outstanding as at 31 March 2018 are set out as follows:

Expiry dates	Subscription price per Share (HK\$)	No. of share options outstanding as at 31 March	
		2018	2017
2002 Share Option Scheme			
29 September 2020	3.16	562,000	582,000
16 June 2021	4.95	2,270,000	2,290,000
28 February 2022	4.77	22,145,988	22,145,988
28 June 2022	4.85	3,945,000	4,226,000
2012 Share Option Scheme			
20 June 2023	8.07	5,259,000	5,746,000
		34,181,988	34,989,988
Weighted average remaining contractual life of options outstanding at end of the year		4.08 years	5.10 years



24 Share Capital (continued)

(b) Share Award

Pursuant to a resolution of the Board dated 11 April 2014, the Board approved the adoption of the Share Award Scheme under which shares of the Company may be awarded to selected employees for no cash consideration in accordance with its absolute discretion. The Share Award Scheme operates for 15 years starting from 11 April 2014. The maximum number of shares which may be awarded to any selected employee under the Share Award Scheme shall not exceed 1% of the issued share capital of the Company from time to time. The awarded shares are to be vested after the selected employee completed a period of services in the Group from 1 month to 3 years from the grant date.

A trust has been set up and fully funded by the Company for the purpose of purchasing, administrating and holding the Company's shares for the Share Award Scheme. The total number of shares to be awarded under the Share Award Scheme is limited to 5% of the issued share capital of the Company.

During the year ended 31 March 2017, the Company acquired 2,274,000 of its own shares on the Stock Exchange for the Share Award Scheme. The total amount paid to acquire these shares was HK\$5,343,000 and has been deducted from the shareholders' equity. During the year ended 31 March 2018, no share was acquired by the Company. During the year ended 31 March 2018, 51,515 shares of the Company were issued to the Share Award Scheme as scrip dividend.

Movements in the number of shares awarded:

	Number of awarded shares	
	year ended 31 March	
	2018	2017
At beginning of the year	720,000	1,100,000
Awarded (Note)	700,000	2,782,000
Vested	(625,000)	(2,595,000)
Lapsed	(320,000)	(567,000)
At end of the year	475,000	720,000

Note: The fair value of awarded shares was determined with reference to market price of the Company's shares at the grant date. Average fair value per share was HK\$2.89 (2017:HK\$3.35).

24 Share Capital (continued)

(b) Share Award (continued)

Details of the awarded shares outstanding as at 31 March 2018 were set out as follows:

Date of award	Average fair value per share (HK\$)	Vesting period*	Number of awarded shares				Outstanding as at 31 March 2018
			Outstanding as at 1 April 2017	Awarded during the year	Vested during the year	Lapsed during the year	
30 Sep 2014	5.32	30 Sep 2014 to 30 Sep 2017	165,000	-	(140,000)	(25,000)	-
28 Nov 2014	5.83	28 Nov 2014 to 28 Nov 2017	75,000	-	(75,000)	-	-
30 Jan 2015	5.02	30 Jan 2015 to 30 Jan 2018	60,000	-	(60,000)	-	-
31 Jul 2015	3.48	31 Jul 2015 to 31 Jul 2018	50,000	-	(25,000)	(25,000)	-
29 Jan 2016	2.12	29 Jan 2016 to 29 Jan 2019	50,000	-	(15,000)	(20,000)	15,000
30 Jun 2016	3.04	30 Jun 2016 to 30 Jun 2019	250,000	-	-	(250,000)	-
29 Jul 2016	3.38	29 Jul 2016 to 29 Jul 2019	70,000	-	(20,000)	-	50,000
31 Jul 2017	2.87	31 Jul 2017 to 31 Mar 2020	-	580,000	(270,000)	-	310,000
30 Nov 2017	3.01	30 Nov 2017 to 21 Aug 2020	-	120,000	(20,000)	-	100,000
			720,000	700,000	(625,000)	(320,000)	475,000

* The period during which all the specific vesting conditions of the awarded shares are to be satisfied.

(c) Expenses Arising from Share-based Payment Transactions

Total expenses arising from share-based payment transactions recognised during the year as part of employee benefit expense were as follows:

	2018 HK\$'000	2017 HK\$'000
Expenses recognised by share options	-	840
Expenses recognised by share award scheme	1,065	8,377
	1,065	9,217



25 Reserves

	Share premium HK\$'000	Shares held under the Share Award Scheme HK\$'000	Capital redemption reserve HK\$'000	Employee share-based compensation reserve HK\$'000	Hedging reserve HK\$'000	Translation reserve HK\$'000	Retained earnings HK\$'000	Total HK\$'000
At 1 April 2017	1,080,717	(3,945)	11,783	62,539	133	(62,680)	831,175	1,919,722
Profit for the year	-	-	-	-	-	-	440,120	440,120
Other comprehensive income:								
Actuarial gains on retirement benefit obligations	-	-	-	-	-	-	3,707	3,707
Cash flow hedges, net of tax	-	-	-	-	258	-	-	258
Currency translation differences of foreign subsidiaries recorded in translation reserve	-	-	-	-	-	41,139	-	41,139
Total comprehensive income for the year	-	-	-	-	258	41,139	443,827	485,224
Share Award Scheme:								
Value of employee services	-	-	-	1,065	-	-	-	1,065
Vesting of shares under Share Award Scheme	-	2,306	-	(2,437)	-	-	131	-
Employee share option scheme:								
Proceeds from shares issued upon exercise of share options	61	-	-	-	-	-	-	61
Lapse of share options	-	-	-	(1,463)	-	-	1,463	-
Issue of shares upon scrip dividend of 2016/17 final dividend (Note 24)	74,160	-	-	-	-	-	-	74,160
Issue of shares upon scrip dividend of 2017/18 interim dividend (Note 24)	43,853	-	-	-	-	-	-	43,853
Unclaimed dividends forfeited	-	-	-	-	-	-	214	214
Dividends:								
2016/17 final dividend	-	-	-	-	-	-	(239,555)	(239,555)
2017/18 interim dividend	-	-	-	-	-	-	(105,789)	(105,789)
Total transactions with owners, recognised directly in equity	118,074	2,306	-	(2,835)	-	-	(343,536)	(225,991)
At 31 March 2018	1,198,791	(1,639)	11,783	59,704	391	(21,541)	931,466	2,178,955

25 Reserves (continued)

	Share premium HK\$'000	Shares held under the Share Award Scheme HK\$'000	Capital redemption reserve HK\$'000	Employee share-based compensation reserve HK\$'000	Hedging reserve HK\$'000	Translation reserve HK\$'000	Retained earnings HK\$'000	Total HK\$'000
At 1 April 2016	786,189	(8,178)	11,783	64,009	46	(41,104)	1,186,328	1,999,073
Profit for the year	-	-	-	-	-	-	326,705	326,705
Other comprehensive loss:								
Actuarial gains on retirement benefit obligations	-	-	-	-	-	-	2,593	2,593
Cash flow hedges, net of tax	-	-	-	-	87	-	-	87
Currency translation differences of foreign subsidiaries recorded in translation reserve	-	-	-	-	-	(21,576)	-	(21,576)
Total comprehensive income for the year	-	-	-	-	87	(21,576)	329,298	307,809
Share Award Scheme:								
Value of employee services	-	-	-	8,377	-	-	-	8,377
Shares purchased for Share Award Scheme (Note 24(b))	-	(5,343)	-	-	-	-	-	(5,343)
Vesting of shares under Share Award Scheme	-	9,576	-	(9,429)	-	-	(147)	-
Employee share option scheme:								
Value of employee services	-	-	-	840	-	-	-	840
Lapse of share options	-	-	-	(1,258)	-	-	1,258	-
Issue of shares upon scrip dividend of 2015/16 final and special dividend (Note 24)	192,424	-	-	-	-	-	-	192,424
Issue of shares upon scrip dividend of 2016/17 interim and special dividend (Note 24)	102,104	-	-	-	-	-	-	102,104
Unclaimed dividends forfeited	-	-	-	-	-	-	274	274
Dividends:								
2015/16 final and special dividends	-	-	-	-	-	-	(419,359)	(419,359)
2016/17 interim dividend	-	-	-	-	-	-	(148,043)	(148,043)
2016/17 special dividend	-	-	-	-	-	-	(118,434)	(118,434)
Total transactions with owners, recognised directly in equity	294,528	4,233	-	(1,470)	-	-	(684,451)	(387,160)
At 31 March 2017	1,080,717	(3,945)	11,783	62,539	133	(62,680)	831,175	1,919,722



26 Cash Flow Information

(a) Cash Generated from Operations

	2018 HK\$'000	2017 HK\$'000
Profit for the year from continuing operations	465,243	342,509
Loss for the year from discontinued operation	(25,123)	(15,804)
Profit for the year including discontinued operation	440,120	326,705
Adjustments for:		
– Income tax expense	96,729	78,693
– Depreciation of property, plant and equipment	101,267	102,977
– Impairment of property, plant and equipment	5,669	10,423
– Write-off of property, plant and equipment	7,457	1,979
– Provision for slow moving inventories and shrinkage	36,658	32,075
– Gains on disposal of property, plant and equipment	(1,255)	(315)
– Share-based payment	1,065	9,217
– Finance income	(11,837)	(10,105)
	675,873	551,649
Changes in working capital		
– Inventories	(126,104)	(160,590)
– Trade receivables	(78,341)	12,074
– Other receivables, deposits and prepayments	(6,604)	3,648
– Trade payables	305,788	52,418
– Other payables, accruals and retirement benefit obligations	49,668	(19,994)
Cash generated from operations	820,280	439,205

(b) In the consolidated statement of cash flows, proceeds from disposal of property, plant and equipment comprise:

	2018 HK\$'000	2017 HK\$'000
Net book amount (Note 13)	358	–
Gains on disposal of property, plant and equipment	1,255	315
Proceeds from disposal of property, plant and equipment	1,613	315

27 Commitments

(a) Capital Commitments in Respect of Acquisition of Property, Plant and Equipment

	2018 HK\$'000	2017 HK\$'000
Contracted but not provided for	21,405	13,506

The capital commitments authorised but not contracted amounted to HK\$158,012,000 (2017: HK\$194,273,000). The amount represents the Group's estimated capital expenditure based on the annual budget approved by the board of directors.

(b) Non-cancellable Operating Leases Commitment

The Group leases various retail outlets, offices and warehouses under non-cancellable operating lease agreements. The lease terms are between 1-10 years.

As at 31 March 2018, the Group had total future aggregate minimum lease payments under non-cancellable operating leases as follows:

	2018 HK\$'000	2017 HK\$'000
Land and buildings		
Within one year	757,716	823,776
In the second to fifth year inclusive	837,409	868,817
After the fifth year	9,015	799
	1,604,140	1,693,392

(c) Non-cancellable Operating Leases Rental Receivables

As at 31 March 2018, the Group had total future aggregate minimum lease payments receivable under non-cancellable operating leases as follows:

	2018 HK\$'000	2017 HK\$'000
Land and buildings		
Within one year	25,380	27,270
In the second to fifth year inclusive	47,000	76,160
	72,380	103,430





28 Significant Related Party Transactions

Accounting Policy

Related parties are individuals and companies, including subsidiaries, fellow subsidiaries, jointly controlled entities, associated companies and key management personnel, where the individual or company has the ability, directly or indirectly, control or jointly control the other party or exercise significant influence over the other party in making financial and operating decisions. A close family member of any such individual is considered to be a related party.

(a) Transactions With Related Parties

	2018 HK\$'000	2017 HK\$'000
Rental expenses paid to an entity wholly owned by executive directors	1,721	–

Rental expense is mutually agreed by both parties.

(b) Key Management Compensation

Key management, including executive directors, senior management and other key management personnel, represents individual who has the ability, directly or indirectly, to control or jointly control the other party or exercise significant influence over the other party in making financial and operating decisions.

Key management compensation is disclosed as follows:

	2018 HK\$'000	2017 HK\$'000
Basic salaries, housing allowances, other allowances and benefits-in-kind	44,230	43,327
Retirement benefit costs	1,939	1,969
Share-based payment	1,069	7,412
	47,238	52,708

(c) Interest of Directors

There are no loans, quasi-loans or other dealings in favour of directors, their controlled bodies corporate and connected entities (2017: Nil). During the year and at the year end, no director of the Company had or has a material interest, directly or indirectly, in any significant transactions, arrangements and contracts in relation to the Group's business to which the Group was or is a party (2017: Nil).

29 Principal Subsidiaries

Particulars of the Principal Subsidiaries at 31 March 2018:

Name	Place of incorporation/ establishment and kind of legal entity	Principal activities and place of operation (if different from place of incorporation)	Particulars of issued share capital/paid up share capital	Indirect interest held
Astute Approach Limited	British Virgin Islands, limited liability company	Investment holding	Ordinary US\$7,300,001	100%
Base Sun Investment Limited	Hong Kong, limited liability company	Property holding	Ordinary HK\$100 Deferred HK\$2	100%
Bethany Services Limited	British Virgin Islands, limited liability company	Investment holding	Ordinary US\$198,001	100%
Cosmic Rosy Limited	British Virgin Islands, limited liability company	Investment holding	Ordinary US\$1	100%
Cyber Colors Limited	British Virgin Islands, limited liability company	Holding of intellectual property rights	Ordinary US\$1	100%
Docile Company Limited	British Virgin Islands, limited liability company	Holding of intellectual property rights	Ordinary US\$2	100%
Dragon Gold Investments Limited	Hong Kong, limited liability company	Trading of cosmetic and skin care products	Ordinary HK\$2	100%
Dragonstar International Limited	British Virgin Islands, limited liability company	Investment holding	Ordinary US\$1	100%
Elegance Trading (Shanghai) Company Limited (Note 1)	PRC, limited liability company	Wholesale of cosmetic products	HK\$10,000,000	100%
Eleanor International Limited	British Virgin Islands, limited liability company	Holding of intellectual property rights	Ordinary US\$1	100%
Ever Bloom Development Limited	Hong Kong, limited liability company	Investment holding	Ordinary HK\$1	100%
Fielding Group Limited	British Virgin Islands, limited liability company	Investment holding	Ordinary US\$2	100%
Forever Best International Limited	British Virgin Islands, limited liability company	Investment holding	Ordinary US\$1	100%



29 Principal Subsidiaries (continued)

Particulars of the Principal Subsidiaries at 31 March 2018: (continued)

Name	Place of incorporation/ establishment and kind of legal entity	Principal activities and place of operation (if different from place of incorporation)	Particulars of issued share capital/paid up share capital	Indirect interest held
Hadatuko Limited	British Virgin Islands, limited liability company	Holding of intellectual property rights	Ordinary US\$1	100%
Highmove Enterprises Limited	British Virgin Islands, limited liability company	Investment holding	Ordinary US\$1	100%
Hong Kong Sa Sa (M) Sdn. Bhd.	Malaysia, limited liability company	Trading and retailing of cosmetic products	Ordinary RM20,000,000	100%
Matford Trading Limited	Hong Kong, limited liability company	Property holding	Ordinary HK\$100 Deferred HK\$6	100%
Methode Swiss Limited	British Virgin Islands, limited liability company	Holding of intellectual property rights	Ordinary US\$1	100%
Netcom Holdings Limited	British Virgin Islands, limited liability company	Investment holding	Ordinary US\$50,000	100%
New Image International Limited	British Virgin Islands, limited liability company	Investment holding	Ordinary US\$6	100%
Nouveau International Limited	British Virgin Islands, limited liability company	Investment holding	Ordinary US\$1	100%
Rosy Sino Limited	British Virgin Islands, limited liability company	Holding of intellectual property rights	Ordinary US\$1	100%
Sa Sa Boutique Limited	Hong Kong, limited liability company	Investment holding	Ordinary HK\$2	100%
Sa Sa Cosmetic (China) Company Limited (Note 2)	PRC, limited liability company	Trading and retailing of cosmetic products	HK\$205,000,000	100%

29 Principal Subsidiaries (continued)

Particulars of the Principal Subsidiaries at 31 March 2018: (continued)

Name	Place of incorporation/ establishment and kind of legal entity	Principal activities and place of operation (if different from place of incorporation)	Particulars of issued share capital/paid up share capital	Indirect interest held
Sa Sa Cosmetic Company Limited	Hong Kong, limited liability company	Retailing and wholesaling of cosmetic products	Ordinary HK\$100 Deferred HK\$2	100%
Sa Sa Cosmetic Co. (S) Pte. Ltd.	Singapore, limited liability company	Trading and retailing of cosmetic products	Ordinary S\$19,500,000	100%
Sa Sa dot Com Limited	Hong Kong, limited liability company	E-commerce	Ordinary HK\$1,000,000	100%
Sa Sa Development Limited	Hong Kong, limited liability company	Property holding	Ordinary HK\$100	100%
Sa Sa Health Food Limited	British Virgin Islands, limited liability company	Investment holding	Ordinary US\$50,000	100%
Sa Sa Investment (HK) Limited	Hong Kong, limited liability company	Property holding	Ordinary HK\$100 Deferred HK\$2	100%
Sa Sa Investment Limited	British Virgin Islands, limited liability company	Investment holding	Ordinary US\$1	100%
Sa Sa International (Taiwan) Limited	British Virgin Islands, limited liability company	Trading and retailing of cosmetic products in Taiwan	Ordinary US\$6,880,000	100%
Sa Sa Making Life Beautiful Charity Fund Limited	Hong Kong, limited liability company	Charitable activities	Limited by guarantee	100%
Sa Sa Nominees Limited	Hong Kong, limited liability company	Nominee and secretarial services	Ordinary HK\$2	100%
Sa Sa Overseas Limited	British Virgin Islands, limited liability company	Holding of intellectual property rights	Ordinary US\$2	100%
Sa Sa Property Limited	Hong Kong, limited liability company	Property holding	Ordinary HK\$100	100%



29 Principal Subsidiaries (continued)

Particulars of the Principal Subsidiaries at 31 March 2018: (continued)

Name	Place of incorporation/ establishment and kind of legal entity	Principal activities and place of operation (if different from place of incorporation)	Particulars of issued share capital/paid up share capital	Indirect interest held
Sasatinnie Limited	British Virgin Islands, limited liability company	Holding of intellectual property rights	Ordinary US\$1	100%
SkinPeptoxyl Limited	British Virgin Islands, limited liability company	Holding of intellectual property rights	Ordinary US\$1	100%
Soo Beauté Limited	British Virgin Islands, limited liability company	Holding of intellectual property rights	Ordinary US\$1	100%
S.P. Laboratories S.A.	Switzerland, limited liability company	Holding of intellectual property rights	Bearer CHF555,000	100%
Swiss Balance Limited	British Virgin Islands, limited liability company	Investment holding	Ordinary US\$1	100%
Swiss Rituel Limited	British Virgin Islands, limited liability company	Holding of intellectual property rights	Ordinary US\$1	100%
Suisse Programme Limited	Gibraltar, limited liability company	Holding of intellectual property rights	Ordinary £100	100%
Whitfield Enterprises Limited	British Virgin Islands, limited liability company	Investment holding	Ordinary US\$2	100%
鄭州莎莎電子商務有限公司 (Note 3)	PRC, limited liability company	Import and export of goods	Nil (Note 3)	100%

Notes:

- 1) Elegance Trading (Shanghai) Company Limited is a wholly-owned foreign enterprise in the PRC.
- 2) Sa Sa Cosmetic (China) Company Limited is a wholly-owned foreign enterprise in the PRC.
- 3) 鄭州莎莎電子商務有限公司 is a wholly-owned foreign enterprise in the PRC. As at 31 March 2018, there was no paid up share capital. The remaining registered capital not yet paid up amounted to RMB500,000.

30 Statement of Financial Position and Reserve Movement of the Company

Statement of Financial Position of the Company

	2018 HK\$'000	2017 HK\$'000
ASSETS		
Non-current assets		
Investments in and amounts due from subsidiaries	1,453,817	1,547,362
Other assets	750	750
	1,454,567	1,548,112
Current assets		
Other receivables, deposits and prepayments	2,570	1,679
Time deposits	682,978	415,752
Cash and cash equivalents	9,161	1,988
	694,709	419,419
LIABILITIES		
Current liabilities		
Other payables and accruals	1,740	1,632
Net current assets	692,969	417,787
Total assets less current liabilities	2,147,536	1,965,899
EQUITY		
Capital and reserves		
Share capital	303,885	299,444
Reserves	1,843,651	1,666,455
Total equity	2,147,536	1,965,899

On behalf of the Board

KWOK Siu Ming Simon
Director

KWOK LAW Kwai Chun Eleanor
Director





30 Statement of Financial Position and Reserve Movement of the Company (continued)

Reserve Movement of the Company

	Share premium HK\$'000	Shares held under the Share Award Scheme HK\$'000	Capital redemption reserve HK\$'000	Employee share-based compensation reserve HK\$'000	Retained earnings HK\$'000	Total HK\$'000
At 1 April 2017	1,080,717	(3,945)	11,783	62,539	515,361	1,666,455
Profit and total comprehensive income for the year	-	-	-	-	403,187	403,187
Share Award Scheme:						
Value of employee services	-	-	-	1,065	-	1,065
Vesting of shares under Share Award Scheme	-	2,306	-	(2,437)	131	-
Employee share option scheme:						
Proceeds from shares issued upon exercise of share options	61	-	-	-	-	61
Lapse of share options	-	-	-	(1,463)	1,463	-
Issue of shares upon scrip dividend of 2016/17 final dividend (Note 24)	74,160	-	-	-	-	74,160
Issue of shares upon scrip dividend of 2017/18 interim dividend (Note 24)	43,853	-	-	-	-	43,853
Unclaimed dividends forfeited	-	-	-	-	214	214
Dividends:						
2016/17 final dividend	-	-	-	-	(239,555)	(239,555)
2017/18 interim dividend	-	-	-	-	(105,789)	(105,789)
Total transactions with owners, recognised directly in equity	118,074	2,306	-	(2,835)	(343,536)	(225,991)
At 31 March 2018	1,198,791	(1,639)	11,783	59,704	575,012	1,843,651

	Share premium HK\$'000	Shares held under the Share Award Scheme HK\$'000	Capital redemption reserve HK\$'000	Employee share-based compensation reserve HK\$'000	Retained earnings HK\$'000	Total HK\$'000
At 1 April 2016	786,189	(8,178)	11,783	64,009	1,001,595	1,855,398
Profit and total comprehensive income for the year	-	-	-	-	198,217	198,217
Share Award Scheme:						
Value of employee services	-	-	-	8,377	-	8,377
Shares purchased for Share Award Scheme	-	(5,343)	-	-	-	(5,343)
Vesting of shares under Share Award Scheme	-	9,576	-	(9,429)	(147)	-
Employee share option scheme:						
Value of employee services	-	-	-	840	-	840
Lapse of share options	-	-	-	(1,258)	1,258	-
Issue of shares upon scrip dividend of 2015/16 final and special dividends (Note 24)	192,424	-	-	-	-	192,424
Issue of shares upon scrip dividend of 2016/17 interim and special dividends (Note 24)	102,104	-	-	-	-	102,104
Unclaimed dividends forfeited	-	-	-	-	274	274
Dividends:						
2015/16 final and special dividends	-	-	-	-	(419,359)	(419,359)
2016/17 interim dividend	-	-	-	-	(148,043)	(148,043)
2016/17 special dividend	-	-	-	-	(118,434)	(118,434)
Total transactions with owners, recognised directly in equity	294,528	4,233	-	(1,470)	(684,451)	(387,160)
At 31 March 2017	1,080,717	(3,945)	11,783	62,539	515,361	1,666,455